

City of Sunnyvale
Program Performance Budget

Program 740 - Procurement Management

Program Outcome Statement

Purchase goods and services to support City operations, by:

- Achieving the best possible prices through a competitive bidding process, whenever possible and/or required by the Municipal Code,
- Contracting for City construction projects,
- Ordering and stocking commonly-used supplies in a centralized warehouse for issuance to City employees, as required,
- Accurately paying vendor invoices within City standard payment terms,
- Administering the City's procurement card program,
- Ensuring that purchases and payments are made in compliance with the Municipal Code and City policies and procedures, and
- Disposing of surplus and obsolete equipment and supplies in a cost-effective manner.

So that:

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<u>Program Outcome Measures</u>	<u>Weight</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ Formal bid procurement cycle time is equal to the average of the previous three (3) years.					
- Cycle Time In Days	5	50.00	47.60	70.00	70.00
- Three Year Average	5	0.00	0.00	70.00	70.00
♦ Informal bid procurement cycle time is equal to the average of the previous three (3) years.					
- Cycle Time In Days	5	13.00	10.40	17.00	17.00
- Three Year Average	5	0.00	0.00	17.00	17.00
♦ Public Works project procurement cycle time is equal to the average of the previous three (3) years.					
- Cycle Time In Days	5	90.00	56.00	66.70	66.70
- Three Year Average	5	0.00	0.00	66.70	66.70
♦ Annual cost savings directly attributed to purchasing staff is equal to the average of the previous three (3) years.					
- Annual Cost Savings	4	\$ 1,075,869.00	\$ 735,912.00	\$ 1,253,374.00	\$ 1,253,374.00
- Three Year Average	4	\$ 0.00	\$ 0.00	\$ 1,253,374.00	\$ 1,253,374.00
♦ Supplier payments are accurate 95% of the time.					
- Percent of Payments	4	95.00%	99.99%	95.00%	95.00%
♦ Supplier payments are made within City standard payment terms 75% of the time.					
- Percent of Payments	3	75.00%	74.00%	75.00%	75.00%
♦ Purchases and payments are made in compliance with all applicable laws and regulations 99% of the time.					
- Percent In Compliance	5	99.90%	99.85%	99.00%	99.00%
♦ An overall internal customer satisfaction rating of 85% is achieved.					
- Rating	4	85.00%	94.67%	85.00%	85.00%
♦ The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0.					
- Ratio	5	1.00	1.00	1.00	1.00

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Service Delivery Plan 74001 - Citywide Procurement of Goods and Services

SDP Outcome Statement

Purchase or facilitate the purchase of equipment, supplies and services for all City departments and issue contracts for public works projects, by:

- Timely processing of purchase requests using efficient processes and procedures,
- Generating cost savings by soliciting competitive bids from suppliers and contractors, and
- Ensuring that purchases are made in compliance with the Municipal Code, and City policies and procedures, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ Procurement cycle is equal to the average of the previous three (3) year cycle for formal purchases.				
- Cycle Time In Days	50.00	47.60	70.00	70.00
- Three Year Average	0.00	0.00	70.00	70.00
♦ Procurement cycle is equal to the average of the previous three (3) year cycle for informal purchases.				
- Cycle Time In Days	13.00	10.40	17.00	17.00
- Three Year Average	0.00	0.00	17.00	17.00
♦ Procurement cycle is equal to the average of the previous three (3) years for City construction projects.				
- Cycle Time In Days	90.00	56.00	66.70	66.70
- Three Year Average	0.00	0.00	66.70	66.70

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Service Delivery Plan 74001 - Citywide Procurement of Goods and Services

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 740000 - Formal Purchases				
Product: A Contract Issued				
Costs:	110,637.73	155,268.75	112,805.55	112,383.41
Products:	65.00	85.00	75.00	75.00
Work Hours:	1,660.00	1,948.26	1,524.98	1,525.08
Product Cost:	1,702.12	1,826.69	1,504.07	1,498.45
 Activity 740001 - Informal Purchases				
Product: A Contract Issued				
Costs:	193,958.32	226,614.64	184,008.11	183,618.61
Products:	1,500.00	1,257.00	1,400.00	1,400.00
Work Hours:	2,850.00	2,614.98	2,460.65	2,460.81
Product Cost:	129.31	180.28	131.43	131.16
 Activity 740002 - City Construction Projects				
Product: A Contract Issued				
Costs:	100,590.62	55,681.97	76,073.61	75,638.77
Products:	40.00	17.00	25.00	25.00
Work Hours:	1,500.00	769.24	1,085.58	1,085.65
Product Cost:	2,514.77	3,275.41	3,042.94	3,025.55
 Totals for Service Delivery Plan 74001 - Citywide Procurement of Goods and Services				
Costs:	405,186.67	437,565.36	372,887.27	371,640.79
Work Hours:	6,010.00	5,332.48	5,071.21	5,071.54

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Service Delivery Plan 74002 - Payment of Supplier Invoices

SDP Outcome Statement

Pay all non-payroll City obligations, by:

- Issuing accurate and timely payments to suppliers,
- Establishing cost effective payment processes and procedures, including the issuance of procurement cards to selected employees,
- Facilitating appropriate business-related travel through travel advances and employee reimbursements,
- Generating all reports required by state and federal agencies in an accurate and timely manner, and
- Ensuring that payments are made in compliance with the Municipal Code, contractual obligations and City policies and procedures, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ Cost of a purchasing card transaction equals 75% of the cost of an invoice transaction. - Percent of Invoice Cost	75.00%	65.60%	75.00%	75.00%
♦ The percentage of checks issued error free is equal to the prior three (3) year average. - Percent of Checks	98.07%	99.99%	98.04%	98.04%
- Three Year Average	0.00%	0.00%	98.04%	98.04%
♦ 1099's are issued by January 31 and the IRS copy is submitted by March 31. - Percent Timely Issued	100.00%	100.00%	100.00%	100.00%
♦ Quarterly sales and use tax are reports are timely submitted 100% of the time. - Percent Timely Submitted	100.00%	100.00%	100.00%	100.00%
♦ EDD independent contractor reports are timely submitted 100% of the time. - Percent Timely Submitted	100.00%	100.00%	100.00%	100.00%

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Service Delivery Plan 74002 - Payment of Supplier Invoices

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 740003, 740004, 740005, 740006 - Purchasing Card Administration				
Product: A Purchasing Card Addition, Deletion or Modification				
Costs:	8,640.11	31,225.92	24,151.89	23,841.21
Products:	500.00	2,539.00	1,700.00	1,700.00
Work Hours:	100.00	492.74	387.71	387.73
Product Cost:	17.28	12.30	14.21	14.02
 Activity 740007 - Payments				
Product: A Payment Vouched				
Costs:	212,490.40	221,781.46	224,761.45	221,221.48
Products:	45,000.00	31,212.00	35,000.00	35,000.00
Work Hours:	3,860.00	3,864.90	3,721.99	3,722.23
Product Cost:	4.72	7.11	6.42	6.32
 Activity 740008 - Purchasing Card Transactions				
Product: A Purchasing Card Purchase				
Costs:	13,513.02	11,445.25	12,341.50	12,148.02
Products:	0.00	13,298.00	16,000.00	16,000.00
Work Hours:	200.00	165.03	206.78	206.79
Product Cost:	0.00	0.86	0.77	0.76

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Service Delivery Plan 74002 - Payment of Supplier Invoices

	2003/2004 Budget	2003/2004 Achieved	2004/2005 Current	2005/2006 Adopted
Activity 740009 - Reports Generated - 1099's				
Product: A Report Issued				
Costs:	18,132.54	17,353.76	20,434.19	20,367.30
Products:	300.00	240.00	270.00	270.00
Work Hours:	270.00	248.55	279.15	279.17
Product Cost:	60.44	72.31	75.68	75.43
 Activity 740010, 740011, 740012, 740013 - Reports Generated				
Product: A Report Issued				
Costs:	28,887.92	8,689.92	11,279.22	11,238.29
Products:	50.00	51.00	51.00	51.00
Work Hours:	430.00	137.42	155.08	155.09
Product Cost:	577.76	170.39	221.16	220.36
 Activity 740026 - Travel Documentation Processing				
Product: A Travel Expense Report				
Costs:	12,729.53	8,488.57	3,718.76	3,640.84
Products:	800.00	455.00	350.00	350.00
Work Hours:	200.00	148.02	67.20	67.21
Product Cost:	15.91	18.66	10.63	10.40
 Totals for Service Delivery Plan 74002 - Payment of Supplier Invoices				
Costs:	294,393.52	298,984.88	296,687.01	292,457.14
Work Hours:	5,060.00	5,056.66	4,817.91	4,818.22

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Service Delivery Plan 74003 - Procurement Systems Operation and Support

SDP Outcome Statement

Provide technological support of procurement activities, by:

- Administering all procurement-related applications, including establishing and maintaining system security, setting up user profiles, and other critical application functions,
- Posting bid advertisements,
- Troubleshooting system problems,
- Testing new versions and builds of each application,
- Updating and maintaining the Purchasing Internet and Intranet sites, and
- Training and assisting City employees in the use of each application, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ Support hours per contract is equal to previous three (3) year average. [DELETED] - Hours	0.70	0.81	0.00	0.00
♦ Bids are advertised in compliance with municipal code 100% of the time. - Percent of Bids In Compliance	100.00%	100.00%	100.00%	100.00%
♦ Intranet Purchasing Procedure Manual is updated within 30 days of each change 95% of the time. - Percent of Timely Updates	95.00%	0.00%	95.00%	95.00%
♦ 90% of Procurement System training attendees rate training received as satisfactory or better. - Rating	0.00%	0.00%	0.00%	90.00%

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Service Delivery Plan 74003 - Procurement Systems Operation and Support

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 740014 - Procurement System Support - Purchase Order/Contract Issuance				
Product: A Work Hour				
Costs:	107,225.64	34,659.94	81,938.49	81,951.80
Products:	1,420.00	470.29	1,023.55	1,023.61
Work Hours:	1,420.00	470.29	1,023.55	1,023.61
Product Cost:	75.51	73.70	80.05	80.06
 Activity 740015 - Procurement System Support - Internet Bid Advertisements				
Product: A Bid Solicitation Advertised				
Costs:	14,809.32	4,255.68	6,541.96	6,547.24
Products:	300.00	50.00	60.00	60.00
Work Hours:	200.00	57.81	82.71	82.72
Product Cost:	49.36	85.11	109.03	109.12
 Activity 740016 - Procurement System Support - Miscellaneous Activities				
Product: A Work Hour				
Costs:	3,702.34	23,801.87	3,679.85	3,682.83
Products:	50.00	320.06	46.52	46.53
Work Hours:	50.00	320.06	46.52	46.53
Product Cost:	74.05	74.37	79.10	79.15

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Service Delivery Plan 74003 - Procurement Systems Operation and Support

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 740027 - Procurement System Training				
Product: A Work Hour				
Costs:	0.00	0.00	0.00	8,184.06
Products:	0.00	0.00	0.00	103.40
Work Hours:	0.00	0.00	0.00	103.40
Product Cost:	0.00	0.00	0.00	79.15
 Totals for Service Delivery Plan 74003 - Procurement Systems Operation and Support				
 Costs:	125,737.30	62,717.49	92,160.30	100,365.93
Work Hours:	1,670.00	848.16	1,152.78	1,256.26

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Service Delivery Plan 74004 - Central Warehousing

SDP Outcome Statement

Provide a simple and cost effective way for City employees to obtain commonly-used supplies and dispose of surplus and obsolete items, by:

- Ordering, stocking and distributing commonly-used supplies from a centralized warehouse,
- Maintaining inventory levels that are fiscally responsible while keeping stock outages at a minimum, and
- Disposing of surplus and obsolete equipment, using processes that are cost effective, promote recycling and maximize sales revenue to the City, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ The ratio of revenue generated through the sale of surplus to program costs is equal to the prior three (3) year average.				
- Revenue Generated per Dollar Spent	11.20	64.69	12.52	12.52
- Three Year Average	0.00	0.00	12.52	12.52
♦ Scrap items are recycled, if appropriate, 99% of the time.				
- Percent	100.00%	100.00%	99.00%	99.00%
♦ Stock turnover rate is equal to the prior three (3) year average.				
- Percent of Stock Turnover	345.00%	333.00%	336.00%	336.00%
- Three Year Average	0.00%	0.00%	336.00%	336.00%
♦ Stock outage rate is equal to the prior three (3) year average.				
- Percent of Out-of-Stock Items	1.14%	2.13%	1.00%	1.00%
- Three Year Average	0.00%	0.00%	1.00%	1.00%
♦ End user is notified within one working day that shipment has been received 75% of the time.				
- Percent Timely Notifications	75.00%	100.00%	75.00%	75.00%

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Service Delivery Plan 74004 - Central Warehousing

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 740017 - Disposal of Surplus - Items Sold				
Product: A Surplus Item - Sold				
Costs:	7,431.56	3,237.00	3,461.35	3,432.34
Products:	1,400.00	1,113.00	1,200.00	1,200.00
Work Hours:	120.00	49.01	51.69	51.70
Product Cost:	5.31	2.91	2.88	2.86
 Activity 740018 - Disposal of Surplus - Items Scrapped				
Product: A Surplus Item Scrapped				
Costs:	5,697.65	3,732.62	1,913.34	1,891.08
Products:	1,400.00	317.00	600.00	600.00
Work Hours:	100.00	61.01	31.02	31.02
Product Cost:	4.07	11.77	3.19	3.15
 Activity 740019 - Inventory Management				
Product: A Work Hour				
Costs:	114,458.92	173,077.58	188,313.03	185,370.58
Products:	1,765.00	2,723.00	2,801.83	2,802.01
Work Hours:	1,765.00	2,723.00	2,801.83	2,802.01
Product Cost:	64.85	63.56	67.21	66.16

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Service Delivery Plan 74004 - Central Warehousing

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 740020 - Stock Issuance				
Product: An Item Issued				
Costs:	101,195.24	74,319.67	71,737.86	70,897.24
Products:	28,000.00	22,423.00	25,000.00	25,000.00
Work Hours:	1,750.00	1,231.72	1,137.28	1,137.35
Product Cost:	3.61	3.31	2.87	2.84
 Activity 740021 - Centralized Receiving				
Product: A Shipment Received				
Costs:	28,983.67	25,844.20	36,167.70	35,791.94
Products:	3,300.00	2,430.00	3,500.00	3,500.00
Work Hours:	500.00	433.58	568.64	568.67
Product Cost:	8.78	10.64	10.33	10.23
 Totals for Service Delivery Plan 74004 - Central Warehousing				
Costs:	257,767.04	280,211.07	301,593.28	297,383.18
Work Hours:	4,235.00	4,498.32	4,590.46	4,590.75

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Program 740 - Procurement Management

Service Delivery Plan 74005 - Provide Management and Administrative Services

SDP Outcome Statement

Manage and support Procurement Management Program activities, by:

- Performing management tasks, such as supervision, budget preparation and monitoring, and interdepartmental cooperation and communication,
- Providing administrative support for Purchasing, Accounts Payable and Central Stores staff, as required,
- Assisting and training all City employees in procurement and payment policies and procedures and the use of all procurement-related computer applications, and
- Working toward the completion of Special Projects, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ Overall customer satisfaction rating of 85% is achieved. - Percent	85.00%	94.67%	85.00%	85.00%
♦ 80% of non-routines are completed within initial plan. - Percent	80.00%	0.00%	80.00%	80.00%
♦ Employees attend an average of one 8-hour training session per year. [DELETED] - Percent	90.00	0.00	0.00	0.00

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Service Delivery Plan 74005 - Provide Management and Administrative Services

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 740022 - Administration and Customer Support				
Product: A Work Hour				
Costs:	95,371.58	193,077.46	191,901.44	192,629.07
Products:	1,150.00	2,414.54	2,284.89	2,285.03
Work Hours:	1,150.00	2,414.54	2,284.89	2,285.03
Product Cost:	82.93	79.96	83.99	84.30
 Activity 740023 - Internal Consulting Services				
Product: A Work Hour				
Costs:	65,026.45	36,063.90	29,608.75	29,682.70
Products:	900.00	457.18	361.86	361.88
Work Hours:	900.00	457.18	361.86	361.88
Product Cost:	72.25	78.88	81.82	82.02
 Activity 740024 - Special Projects				
Product: A Work Hour				
Costs:	43,200.60	43,360.21	54,622.01	46,660.14
Products:	500.00	585.11	646.18	542.82
Work Hours:	500.00	585.11	646.18	542.82
Product Cost:	86.40	74.11	84.53	85.96

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Service Delivery Plan 74005 - Provide Management and Administrative Services

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 740025 - Training				
Product: A Training Hour				
Costs:	70,533.69	1,473.27	16,236.05	16,180.80
Products:	950.00	2.50	196.44	196.45
Work Hours:	950.00	2.50	196.44	196.45
Product Cost:	74.25	589.31	82.65	82.37
 Totals for Service Delivery Plan 74005 - Provide Management and Administrative Services				
Costs:	274,132.32	273,974.84	292,368.25	285,152.71
Work Hours:	3,500.00	3,459.33	3,489.37	3,386.18

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Totals for Program 740					
Costs:		1,357,216.85	1,353,453.64	1,355,696.11	1,346,999.75
Work Hours:		20,475.00	19,194.95	19,121.73	19,122.95